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Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W
---------- 080031
P 071902Z JUL 75
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 9355

LIMITED OFFICIAL USE SECTION 1 OF 2 CARACAS 6880

EXDIS

E.O. 11652 N/A
TAGS: OGEN, VE
SUBJECT: OPERATION CLEAN SLATE

REF STATE 144163

FOR EAGLEBURGER AND ROGERS ONLY FROM AMBASSADOR

1. MY RESPONSE IS BY NECESSITY IMPRESSIONISTIC. TWO MONTHS, LARGELY TAKEN UP BY OUTSIDE ACTIVITIES, ARE NOT SUFFICIENT FOR THE KIND OF CARFUL LOOK AT OUR OPERATIONS IN CARACAS YOUR INTERESTING PROJECT MERITS. BUT I CAN OFFER THESE PRELIMINARY THOUGHTS WITH THE UNDERSTANDING THAT THEY ARE NO MORE THAN THAT.

2. STRUCTURE RATHER THAN STAFFING IS WHERE I WOULD START. WHAT WE NEED HERE IS AN ORGANIZATION THAT REFLECTS OUR REAL INTERESTS AND PRIORITIES AND PERMITS AT LEAST ELEMENTARY MANAGEMENT BY OBJECTIVES. I WOULD SET UP THE FOLLOWING SUBSTANTIVE UNITS AS THE HEART OF THE OPERATION:
A. NEGOTIATIONS AND CONSULTATIONS: THIS UNIT OR GROUP WOULD DEAL WITH THE WIDE RANGE OF ESSENTIALLY MULTILATERAL ISSUES THAT ARE NOW SO CRITICAL TO THE VENEZUELAN-US RELATIONSHIP:E.G., THE NIEO IN ITS MANY MANIFESTATIONS, THE PRODUCER-CONSUMER CONFLICT, TRADE AND INVESTMENT IN TERMS OF THE ANDEAN PACT AND THE PERENIAL PROBLEMS OF THE OAS. IT WOULD ALSO DEAL WITH OIL AS A POLICY ISSUE, BOTH BILATERAL AND INTERNATIONAL, BUT NOT IN ITS TECHNICAL ASPECTS. IT WOULD PROVIDE STAFF AND PARTICIPANTS
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WHERE NECESSARY FOR THE ALMOST ENDLESS ROUND OF INTERNATIONAL

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CONFERENCES CARACAS NOW HOSTS. THE UNIT'S OBJECTIVES WOULD BE
TO ENGAGE THE GOV IN A CONTINUING DIALOGUE, TO ESTABLISH AS MUCH
COMMON GROUND AS POSSIBLE AND TO SUPPORT ME IN NEGOTIATING WHAT
CAN BE NEGOTIATED HERE. WE MIGHT GET BY IN THIS UNIT WITH THREE
OFFICERS SUPPORTED BY AN EXPERT LOCAL IF THE OFFICERS KNEW THE
LABYRINTH OF INTERNATIONAL ECONOMIC ISSUES AND COULD SPEAK DECENT
SPANISH. THERE WOULD BE NO, REPEAT NO, COUNSELOR OR CHIEF
OF THIS UNIT. THE OFFICERS WOULD BE INTERCHANGEABLE AND FLEXIBLE;
THEY WOULD WORK DIRECTLY FOR ME AND MY DEPUTY, PERHAPS ROTATING
SOME FIRST-AMONG-EQUALS TITLE AS PROTOCOL OR ANY OTHER FACTORS MIGHT
REQUIRE.
B. PROGRAMS AND OPERATIONS: WE MIGHT MORE DELICATELY
CALL THIS GROUP THE "BILATERAL COOPERATION UNIT." IT WOULD PULL
TOGETHER A VARIETY OF BILATERAL PROGRAMS WE NOW HAVE OR SHOULD
HAVE: TECHNICAL ASSISTANCE, TRAINING INITIATIVES, SCIENTIFIC
COOPERATION, EDUCATIONAL LABOR AND CULTURAL EXCHANGES (I THINK THE
STANTON REPORT HAS MUCH TO RECOMMEND IT), NARCOTICS COORDINATION
AND JOINT INVESTMENT OR LENDING PROGRAMS IF THESE EVER COME
ALONG. THE UNIT WOULD CARE FOR ALL THE DAY-TO-DAY BILATERAL PROBLEMS
FROM CIVIL AIR TO CIVIC FUNCTIONS,EXCEPT FOR THOSE IN THE STRICTLY
MILITARY, CONSULAR AND COMMERCIAL FIELDS. IT WOULD STAFF AND
SUPPORT OPERATIONALLY A US-VENEZUELAN BILATERAL COMMISSION
OR WORKING GROUP IF WE REACH THAT POINT. THE OBJECTIVE WOULD
BE TO DEVELOP AN INTENSIFIED AND MORE BINDING RELATIONSHIP BETWEEN
THE TWO COUNTRIES. HERE I WOULD WANT A SENIOR OFFICER OR
COUNSELOR TO INSURE A COORDINATED TACTICAL APPROACH--TO SEE THAT
EACH OPERATION REINFORCED THE OTHERS. HE (OR SHE) WOULD BE
SUPPORTED BY THREE OF FOUR OFFICERS, ONE WITH AN AID BACKGROUND,
ANOTHER PARTICULARLY ADEPT AT CONTACT WORK AND A THIRD QUALIFIED
TO DEAL WITH FINANCIAL QUESTIONS.
C. ANALYSIS: THIS UNIT OF TWO OFFICERS WOULD DO THE
TRADITIONAL REPORTING. THE VOLUME WOULD BE SMALLER. THE
EMPHASIS WOULD BE ON THE GOV'S FOREIGH RELATIONS, INLCUDING
OPEC PARTICIPATION, AND ON SIGNIFICANT SHIFTS IN THE LOCAL POWER
STRUCTURE. THE UNIT WOULD RUN A CLIPPING SERVICE FOR THE DEPART-
MENT TO COVER DAY TO DAY EVENTS AND WHEN NECESSARY WOULD
IDENTIFY FOR WASHINGTON AGENCIES PUBLISHED SOURCES OF INFORMATION
ON SUCH MATTERS AS MACRO-ECONOMIC TRENDS.
D. COMMERCIAL OPERATIONS: THE COMMERCIAL COUNSELOR
HERE HAS POINTED OUT THAT THE BULK OF VENEZUELA'S MASSIVE
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IMPORT PURCHASES FOR DEVELOPMENT WILL HAVE BEEN CONTRACTED
WITHIN THE NEXT TWO YEARS. WE ARE SADLY UNDERSTAFFED TO TAKE
ADVANTAGE OF THIS UNIQUE OPPORTUNITY. FURTHER, THE
COMMERCIAL SECTION SPENDS FAR TOO MUCH TIME ON MEETING THE
LESS CONSEQUENTIAL WASHINGTON REQUIREMENTS AND ON WRESTLING
WITH SHIPPING, CIVIL-AIR AND OTHER PROBLEMS UNRELATED
TO THE DIRECT SALE OF US GOODS. THE COMMERCIAL COUNSELOR
BELIEVES, AND I AGREE, THAT WHAT WE NEED HERE IS A TASK FORCE

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APPROACH--A FAIRLY SIZEABLE GROUP OF SPECIALISTS TO BE ASSIGNED
TO CARACAS FOR THE PURPOSE OF DEVELOPING MAXIMUM US EXPORT
OPPORTUNITIES DURING THIS RELATIVELY BRIEF PERIOD OF HEAVY
VENEZUELAN BUYING. WE WILL BE SUBMITTING TO YOU A SEPARATE
MEMORANDUM WITH A DETAILED PROPOSAL ON THAT SCORE.
E. CONSULAR: STATUTORY REQUIREMENTS GIVE US LITTLE
ROOM FOR MANEUVER IN THIS FIELD. EMBASSY CARACAS IS
RATHER COMFORTABLY STAFFED ON THE CONSULAR SIDE. THE RESULT IS
REASONABLY GOOD PUBLIC RELATIONS IN AN AREA WHERE WE SUFFER
BADLY ELSEWHERE. IN MY JUDGEMENT THE DEPT HAS DEVOTED
INSUFFICIENT RESOURCES AND ATTENTION TO CONSULAR OPERATIONS
IN LATIN AMERICA. I ALSO THINK OVER-SPECIALIZATION HAS BEEN
HARMFUL IN THIS ZONE (OR CONE). THE REVIVAL OF RATIONAL PROGRAMS
FOR JUNIOR OFFICERS COULD HELP US MOVE TOWARD A BETTER INTEGRATION
OF THE CONSULAR FUNCTION INTO OUR REGULAR OPERATIONS. AS FOR
CARACAS, MY ONLY SUGGESTION AT THE MOMENT IS THAT THE CONSULATE
HERE BE HOOKED INTO THE COMPUTERIZED LOOK-OUT SYSTEM AS A TIME
AND MONEY-SAVING STEP.
F. ADMINISTVRATION: I AM NOT AT ALL CLEAR ON WHERE I
WOULD START IN STRUCTURING ADMINISTRATIVE SUPPORT SERVICES FOR
THIS EMBASSY. AS IT IS, THE SECTION LOOMS LARGE IN NUMBERS
AND I WONDER HERE AS ELSEWHERE WHETHER WE SPEND TOO
MUCH TIME AND MONEY ADMINISTERING ONE ANOTHER. YET LOOKING
AT THE ORGANIZATIONAL CHART I HAVE TO ASSUME, FOR EXAMPLE, THAT
IN FACT THE EXIGENCIES OF THE WASHINGTON PROCESS DO REQUIRE
FIVE FSL ACCOUNTING TECHNICIANS TO PREPARE AND REVIEW OUR
VOUCHERS. MY PAST EXPERIENCE HAS LEFT ME WITH THE IMPRESSION
THAT IT IS EXCEEDINGLY DIFFICULT TO CUT ADMINISTRATIVE PERSONNEL
FROM EMBASSY STAFFS WITHOUT FIRST ELIMINATING SUBSTANTIVE
FUNCTIONS AND SLOTS, BOTH OURS AND THOSE OF OTHER AGENCIES.
IF WE WERE TO PROCEED TO A GENERAL SLIMMING-DOWN HERE, WE
COULD THEN TACKLE A STREAMLINING OF ADMINISTRATIVE SERVICES.
IN ANY EVENT, I WILL GIVE MORE THOUGHT AND A CLOSER LOOK AT THIS
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AREA AS TIME PERMITS.

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ACTION SS-25

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P 071902Z JUL 75
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 9356

LIMITED OFFICIAL USE SECTION 2 OF 2 CARACAS 6880

EXDIS

FOR EAGLEBURGER AND ROGERS ONLY FROM AMBASSADOR

E.O. 11652: N/A
TAGS: OGEN, VE
SUBJECT OPERATION CLEAN SLATE

4. TO ADDRESS SOME OF THE MORE PARTICULAR QUESTIONS IN YOUR CABLE:
A. STAFFING: REPROGRAMMING, ADDITIONS AND DELETIONS TO STAFF ARE GENERALLY COVERED BY MY RESTRUCTURING PROPOSAL. TOURS OF DUTY ARE PROBABLY ABOUT RIGHT BUT WE NEED MORE MANAGEMENT OF ASSIGNMENTS FROM THE DEPT. PEOPLE AT THIS EMBASSY SEEM TO ARRIVE AN LEAVE IN BUNCHES RATHER THAN ON THE STAGGERED BASIS THAT WOULD GIVE US CONTINUITY AND INSTITUTIONAL MEMORY. IT IS PROVING DIFFICULT TO KEEP UP TO SPEED HERE THIS SUMMER AS SO MANY OFFICERS REACHED HOME-LEAVE OR TRANSFER ELIGIBILITY AT THE SAME TIME. ON OFFICER QUALIFICATION AND TRAINING WE NEED BOTH GREATER VERSATILITY AND MORE SPECIALIZED KNOWLEDGE. ALL THE POLITICAL AND ECONOMIC OFFICERS AT THIS POST SHOULD BE WELL-GROUNDED IN THE INTERNATIONAL ECONOMIC ISSUES THAT ARE NOW THE POLITICAL STUFF OF OUR RELATIONS WITH LATIN AMERICA. WE DO NOT NEED MACRO-ECONOMIC ANALYSTS OR POLITICAL HISTORIANS; WE DO REQUIRE OFFICERS WHO CAN UNDERSTAND THE LARGER ISSUES AND HOW THEY PLAY OUT INTERNATIONALLY AND AT HOME. PERHAPS CEPAL COULD HELP US SET UP A SHORT COURSE ON PREBISCH, THE THEORY OF DEPENDENCY, "INTEGRAL DEVELOPMENT" AND THE LIKE. ANOTHER CRITICAL QUALIFICATION HERE IS THE CAPABILITY TO PURSUE
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OBJECTIVES THROUGH INTER-PERSONAL RELATIONSHIPS--HEAD TO HEAD CONTACT WORK. ONE STEP IN ENCOURAGING THE DEVELOPMENT OF THAT KIND OF TALENT MIGHT BE TO DEEMPHASIZE "EXECUTIVE ABILITY" AS THE SINGLE OVERRIDING CRITERION FOR ADVANCEMENT IN THE FOREIGN SERVICE. TOO MANY OFFICERS THINK GOOD MANAGERS ARE PEOPLE WHO SHUFFLE PAPER EFFICIENTLY AND DELEGATE GENEROUSLY. IN LATIN AMERICAN THE BOTTOM LINE IS HUMAN RELATIONSHIPS, AND THESE ARE NOT DEVELOPED BY SHUFFLING PAPERS.

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B. OTHER AGENCIES: SINCE CARACAS IS THE MOST EXPENSIVE
CITY IN LATIN AMERICA, I FIND IT HARD TO UNDERSTAND WHY OTHER
USG AGENCIES CHOOSE TO ESTABLISH REGIONAL OPERATIONS HERE.
THEY SHOULD LOOK AT THE COST-BENEFIT RATIO IN TERMS OF GOOD
AIR CONNECTIONS AND A CENTRAL LOCATION AS OPPOSED TO WHAT MUST
BE CONSIDERABLY HIGHER OVERHEAD. OTHERWISE, THE PROBLEMS
HERE ARE ABOUT AS THEY ARE ELSEWHERE. THE US MILITARY COMPLEMENT
HERE (MINUS THE MARINES) COMES TO 52 PEOPLE, OR ABOUT 30
PERCENT OF OUR AMERICAN PERSONNEL--AND THIS AT AT TIME WHEN WE
HAVE PROBABLY REACHED THE END OF EVEN FMS CREDITS IN VENEZUELA.
THE MILITARY RELATIONSHIP SIMPLY DOES NOT JUSTIFY THAT KIND OF
A PRESENCE.
C. HOUSING: THE PROBLEM IS COST. RENTS KEEP GOING UP.
DECENT HOUSING FOR OUR PEOPLE IS A CRITICAL FACTOR IN MORALE
AND EFFECTIVENESS. WE HAVE MADE DO REASONABLY WELL SO FAR;
BUT, AGAIN, THE HIGH COSTS INVOLVED SUGGEST A CLOSE LOOK AT
STAFFING LEVELS. IT IS NOT MY IMPRESSION THAT USG EMPLOYEES
IN CARACAS DEPEND TO ANY SIGNIFICANT DEGREE ON EMBASSY
ADMINISTRATIVE SERVICES. I SHALL EXAMINE THAT QUESTION AS
TIME PERMITS, AS I WILL FSL STAFFING AND THE POSSIBLE GREATER
USE OF DEPENDENTS WITH TRAINING.
D. MANAGEMENT: AS INDICATED PREVIOUSLY, THE
TRADITIONAL EMBASSY STRUCTURE DOES NOT SEEM TO ME TO MEET
OUR REQUIREMENTS IN CARACAS. BUT A DEPUTY CHIEF OF MISSION OF
SENIOR RANK AND ABILITIES IS ESSENTIAL. THIS MISSION IS TOO
LARGE AND DEMANDS ON MY TIME ARE TOO GREAT TO LEAVE THE
MANAGEMENT FUNCTIONS TO THE SECTION CHIEFS. I HAVE PREVIOUSLY
ADDRESSED MYSELF AS BEST I COULD TO REPORTING AND ADMINISTRATIVE
STREAMLINING. AS FOR OUR ONE CONSULAR POST, IT HAS UNFORTUNATELY
EVOLVED SINCE REOPENING A FEW YEARS BACK INTO A "SPECIAL PURPOSE
POST," BUT THE PURPOSE BEING CONSULAR SERVICES AND NOTHING ELSE.
CONSULATE MARACAIBO IS NOW ALL BUT ISOLATED FROM US AND FROM
WASHINGTON WITH THE END OF EVEN REGULAR COURIER SERVICE. I
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THINK WE PROBABLY NEED A CONSULATE THERE, BUT DO NOT FAVOR
MAINTAINING THE POST UNLESS IT CAN BE GIVEN THE FACILITIES--
PARTICULARLY COMMUNICATIONS--TO FOSTER THE FULL RANGE OF US
INTERESTS IN VENEZUELA'S RICHEST REGION. I DO NOT THINK THAT
CONVERTING THE CONSULATE INTO THE OTHER TYPE OF SPECIAL INTEREST
POST BY TRANSFERRING THE CONSULAR FUNCTIONS HERE WOULD WORK.
THE LOCAL PRESSURE ON ANY REMAINING US OFFICE TO OFFER CONSULAR
SERVICES WOULD AS A PRACTICAL MATTER BE TOO GREAT.

5. I APOLIGIZE FOR BEING LATE WITH THIS. I DO ASSURE YOUR BOTH
OF MY INTEREST IN YOUR PROJECT AND MY COMPLETE DISPOSITION
TO CONTRIBUTE FURTHER TO IT WHENEVER YOU MIGHT FIND THAT USEFUL.
SHLAUDEMAN

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